立法會 Legislative Council

LC Paper No. CB(2) 1950/00-01 (These minutes have been seen by the Administration)

Ref: CB2/PL/MP/1

LegCo Panel on Manpower

Minutes of meeting held on Thursday, 17 May 2001 at 2:30 pm in the Chamber of the Legislative Council Building

Members : Hon LAU Chin-shek, JP (Chairman)

present Hon CHAN Kwok-keung (Deputy Chairman)

Hon Kenneth TING Woo-shou, JP Hon James TIEN Pei-chun, JP

Hon Cyd HO Sau-lan Hon LEE Cheuk-yan Dr Hon LUI Ming-wah, JP Hon CHAN Yuen-han Hon YEUNG Yiu-chung

Hon Ambrose LAU Hon-chuen, JP Hon Andrew CHENG Kar-foo

Hon SZETO Wah

Hon Abraham SHEK Lai-him, JP

Hon LI Fung-ying, JP

Hon Tommy CHEUNG Yu-yan, JP Hon LEUNG Fu-wah, MH, JP Hon Frederick FUNG Kin-kee

Members : Hon Bernard CHAN

attending Hon Audrey EU Yuet-mee, SC, JP

Members : Hon LEUNG Yiu-chung

absent Hon Michael MAK Kwok-fung

Public Officers: attending

Item III

Mr Philip K F CHOK, JP

Deputy Secretary for Education and Manpower

Ms Winnie SO

Principal Assistant Secretary for Education and Manpower (5)

Mr S P FU

Chief Industrial Training Officer Vocational Training Council

Item IV

Mr Philip K F CHOK, JP

Deputy Secretary for Education and Manpower

Miss Erica NG

Principal Assistant Secretary for Education and Manpower (4)

Mrs Jennie CHOR, JP

Assistant Commissioner for Labour (Labour Relations)

Item V

Mr Philip K F CHOK, JP

Deputy Secretary for Education and Manpower

Mr LAM Kam-kwong

Principal Assistant Secretary for Education and Manpower (7)

Mr H Y MOK

Assistant Commissioner of Insurance

Mrs Jenny CHAN

Assistant Commissioner for Labour (Rights and Benefits)

Mr LAI Ka-tong Senior Labour Officer Labour Department

Clerk in : Mr Raymond LAM

attendance Senior Assistant Secretary (2)5

Staff in : Ms Dora WAI

attendance Senior Assistant Secretary (2)4

Action

I. Confirmation of minutes of previous meeting and matters arising (LC Paper Nos. CB(2)1513/00-01 and CB(2)1507/00-01(01))

The minutes of the meeting held on 30 March 2001 were confirmed.

List of follow-up actions required of the Administration

2. <u>Members</u> noted the list of follow-up actions required of the Administration.

II. Date of next meeting and items for discussion (LC Paper No. CB(2)1507/00-01(02))

- 3. <u>Members</u> agreed that the following items be discussed at the next meeting to be held on Thursday, 21 June 2001 at 2:30 pm -
 - (a) Draft report of the Panel on Manpower for submission to the Legislative Council;
 - (b) Self-employment Business Start-up Scheme;
 - (c) Terminal payment for unreasonable dismissal; and
 - (d) Proposed amendments to the Construction Sites (Safety) Regulations.

(*Post-meeting note*: At the request of the Administration, the item as referred to in paragraph 3(d) above was replaced by "Proposed amendments to the Small Claims Tribunal Ordinance, Labour Tribunal Ordinance and Minor Employment Claims Adjudication Board Ordinance".)

4. Regarding the item as referred to in paragraph 3(c) above, some members expressed concern that there were difficulties in practice in claiming remedies for unreasonable dismissal. They pointed out that despite the fact that an employee who had been employed under a continuous contract for a period of not less than 24 months might claim for remedies against his employer for unreasonable dismissal, the Labour Tribunal in making an award of terminal payment would, in most cases, have regard to the years of service of the employee concerned. Members agreed that the operation of the relevant provisions of the Employment Ordinance should be discussed. They also requested the Administration to provide statistics on cases of award of terminal payment made by the Labour Tribunal in the past few years, with

details of years of service of the employees concerned.

5. Mr LEE Cheuk-yan informed members that an expert from the International Labour Organization would be visiting Hong Kong in June 2001 to meet with local labour unions on minimum wage and unemployment insurance. On Mr LEE's suggestion, members agreed that an informal meeting of the Panel be held on Monday, 11 June 2001 at 2:30 pm to receive a briefing by the expert on these issues. Members also agreed that the Administration should be invited to attend the informal meeting.

(*Post-meeting note*: The informal meeting was cancelled as the itinerary of the expert had changed.)

6. <u>Members</u> agreed that the regular meeting on 19 July 2001 be re-scheduled to 10 July 2001 at 10:45 am.

III. Skills Upgrading Scheme

(LC Paper No. CB(2)1507/00-01(03))

- 7. Deputy Secretary for Education and Manpower (DSEM) briefed members on the Administration's proposal to launch the Scheme to provide skills upgrading training for workers with low education level in the next two years. He said that the Steering Committee on Skills Upgrading Scheme (the Steering Committee) had held four meetings since November 2000 to discuss the implementation details of the Skills Upgrading Scheme (the Scheme). Funding approval of \$400 million for implementing the Scheme would be sought from the Finance Committee on 25 May 2001.
- 8. <u>Ms LI Fung-ying</u> expressed support for the Scheme in principle. She questioned why there was no monitoring body to oversee the implementation of the Scheme. <u>DSEM</u> said that the industry working groups would submit reports on the Scheme to the Steering Committee. In addition, the industry working groups would arrange for representatives to inspect the training facilities of training providers, the trainers' qualifications and the conducting of classes on a regular basis. An investigation and assessment report would be submitted to the respective industry working group for examining the effectiveness of the training courses. He said that as the industry working groups were now focusing on the design of course programmes, the detailed arrangements for these inspections, such as frequency, would be drawn up at a later stage. <u>DSEM</u> undertook to provide the timetable of such inspections once available.
- 9. <u>Mr LEE Cheuk-yan</u> asked whether workers would be allowed to attend the courses during working hours. <u>DSEM</u> replied that the courses would be held outside working hours and duration of these courses would not be too long. Taking the courses planned for the printing industry as an example, classes would be held twice a

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week for three hours for a duration of 10 weeks. In reply to the further question raised by Mr LEE about the arrangement for conducting courses for the catering industry, Chief Industrial Training Officer, Vocational Training Council said that the Steering Committee had discussed this issue in detail and suggested that the courses should be conducted outside business hours of restaurants when workers were off duty, e.g. in the morning, in the afternoon and before dinner.

- 10. Mr Tommy CHEUNG opined that in addition to the 70% subsidy on course fee, the Government should also subsidise the time cost for employers who released their staff to attend training courses during working hours or employees who attended training courses outside working hours. He asked whether the fees for taking trade tests conducted by the Chinese Cuisine Training Institute (CCTI) would be covered by the Scheme. He further asked whether the Scheme would also cover the tuition fees of courses organised by the Vocational Training Council (VTC) and CCTI.
- 11. <u>DSEM</u> responded that only courses devised by the industry working groups would be covered by the Scheme. The Government would subsidise 70% of the tuition fees of such courses while the remaining 30% would be borne by employers and trainees. As the Chinese catering industry working group was still designing the training packages for the industry, courses now offered by CCTI would not be covered by the Scheme unless the industry working group suggested that these courses should be included. <u>DSEM</u> undertook to convey to the Chinese catering industry working group the suggestion of Mr Tommy CHEUNG that the fees for trade tests and tuition fees of courses conducted by CCTI should be subsidised under the Scheme.
- 12. <u>Miss CHAN Yuen-han</u> declared that she was a member of the Steering Committee. She opined that the fee for a trade test, which was fixed at \$1,000, was too expensive. As only \$400 million had been earmarked for the Scheme whereas VTC had an annual funding of \$2.2 billion, she suggested that the fees for trade tests should be absorbed by VTC instead of the Scheme or additional funding should be sought if the situation warranted.
- 13. Mr LEE Cheuk-yan urged the Government to provide wage subsidy to employers who had released their staff to attend training courses during working hours for all sectors.
- 14. <u>DSEM</u> said that the earmark of \$400 million to implement the Scheme had showed the Government's commitment to promote training and retraining for workers. As the Scheme would bring about benefits to employees, employers and the Government, concerted efforts from all parties concerned were required in order for the Scheme to be successful. He pointed out that if the Government had to bear the entire cost, the number of training places would be reduced.
- 15. <u>Dr LUI Ming-wah</u> held the view that employees would benefit most from the Scheme while employers would have the least benefits since the turnover rate of

employees was high. He said that training and retraining should be considered as education for the society at large and hence the Administration should take up greater responsibilities. He suggested that the Government should bear the entire cost of a course if an employee had passed the examination required of the course; whereas an employee who had failed the examination should be responsible for part of the cost. He added that an accreditation mechanism should be implemented in order to enhance the recognition and competitiveness of workers who had completed the courses.

- 16. <u>DSEM</u> said that in addition to providing training to workers through the Scheme, the Administration would also need to consider a longer-term plan to promote skill upgrading. He pointed out that in some other countries, this was achieved through the establishment of a fund to be financed by a levy.
- 17. <u>Miss CHAN Yuen-han</u> said that as there were a number of training schemes organised by a number of training institutions, the Administration should clearly identify the target group for each scheme. As the target group for the Scheme was workers with low skills and low education level, she reminded that this group of workers should be given priority to take the training courses. She also expressed support for the accreditation mechanism proposed by Dr LUI Ming-wah.
- 18. <u>DSEM</u> responded that in-service workers would be accorded priority to training places over other applicants. As regards accreditation, he agreed that certificates which were widely accepted by the industry should be issued to workers upon satisfactory completion of the courses to enhance the recognition of skills of these workers. He said that the industry working groups would consider this issue in detail.
- 19. <u>The Chairman</u> said that members were in support of the Scheme in principle. He asked the Administration to consider the views expressed by members.
- IV. Technical amendments to the provisions on offsetting arrangement of mandatory provident fund scheme benefits against long service payment/severance payment of the Employment Ordinance (LC Paper No. CB(2)1507/00-01(04))
- 20. In reply to the Chairman, <u>Principal Assistant Secretary for Education and Manpower (4)</u> (PAS(4)) said that the bill was being drafted and would be introduced into the Council in June 2001. <u>The Chairman</u> questioned why the Panel was not consulted on the bill before it was introduced into the Council. <u>PAS(4)</u> explained that the proposed amendments were technical in nature. Under usual practice, the relevant Panel would be consulted on the contents of the proposed amendments whereas the bill would be studied by a Bills Committee when it was formed.
- 21. <u>The Chairman</u> pointed out that as members might have views on the offsetting arrangement for severance payment, long service payment and Mandatory Provident

Fund (MPF) Scheme benefits, the Administration should provide the draft bill to the

Panel for discussion. Ms Cyd HO suggested that the Administration should provide members with the existing provisions and the draft bill. DSEM undertook to provide the requested information to the Panel before the bill was introduced into the Council on 6 June 2001.

(*Post-meeting note*: The information provided by the Administration was circulated to members vide LC Paper No. CB(2)1611/00-01 on 21 May 2001.)

- 22. At the invitation of the Chairman, <u>DSEM</u> briefed members on the proposed amendments as set out in the Administration's paper. He said that the purpose of introducing the technical amendments was to clarify and to reflect the original policy intent that an employer was allowed to offset severance payment or long service payment against MPF Scheme benefits which had been withdrawn by an employee.
- 23. <u>Ms LI Fung-ying</u> said that an employee who was employed by the same employer for not less than 24 months would be entitled to severance payment if he was dismissed by reason of redundancy. She opined that an employee's entitlement to severance payment should not be affected by his length of service provided the 24-month requirement was satisfied. In her view, severance payment, unlike long service payment or other retirement benefits, should not be offset against MPF Scheme benefits arising from employers' contributions.
- 24. Miss CHAN Yuen-han said that the Hong Kong Federation of Trade Unions shared the view of Ms LI Fung-ying. She pointed out that the award of severance payment to an employee was to maintain his living before he would be able to find a new job whereas MPF benefits were to maintain his living after retirement. If an employee was made redundant for a number of times because his employer ceased to carry on the business, the amount of MPF benefits left for his retirement might be reduced heavily. As some employers also recognised this situation, some large department stores had awarded both severance payment and MPF benefits to their employees upon closure of business in recent years.
- 25. <u>Dr LUI Ming-wah and Mr Kenneth TING</u> expressed support for the proposed amendments. They were of the view that employers should not be required to make double payments in respect of severance payment, long service payment and retirement benefits/MPF contributions. <u>Mr James TIEN</u> shared their view and said that the Liberal Party would support the proposed amendments.
- 26. As some members expressed concern that severance payment should not be offset against the amount of retirement benefits, the Chairman suggested that the policy intent for providing retirement protection, redundancy protection and long service benefits be discussed at the next meeting.
- V. Proposed amendments to the Employees Compensation Assistance

Ordinance

(LC Paper No. CB(2)1279/00-01(06))

- 27. <u>DSEM</u> briefed members on the proposed measures to restore the financial viability of the Employees Compensation Assistance Scheme (the ECA Scheme) and the necessary amendments to the Employees Compensation Assistance Ordinance (ECAO) as detailed in the Administration's paper.
- 28. The Chairman asked about the rights and obligations of insurance companies under the ECA Scheme. He also asked whether insurance companies would take out re-insurance policies so that their liabilities would be discharged by other insurance companies if they had become insolvent. He queried why insurers would be able to benefit from the ECA Scheme when they had become insolvent.
- 29. Principal Assistant Secretary for Education and Manpower (7) said that sections 17 and 18 of ECAO provided that employers might apply to the Employees Compensation Assistance Fund Board (the Board) for making compensation payments from the Employees Compensation Assistance Fund (the ECA Fund) to their employees if their insurers had become insolvent. DSEM added that the ECA Scheme aimed at providing protection to employers rather than insurance companies. Assistant Commissioner of Insurance said that the operation of insurance companies was governed by the Office of the Commissioner of Insurance under the Insurance Companies Ordinance. He said that all insurance companies were required to take out appropriate re-insurance protection. However, like other businesses, the risks that might cause insolvency of insurance companies would still exist. He pointed out that the nature of the ECA Fund was similar to that of the Motor Insurers' Bureau Fund (the MIB Fund). The income of the MIB Fund was derived from a levy imposed on the premiums for third party risks insurance policies taken out by motor vehicle owners. The MIB Fund also aimed at protecting the insured against default of their insolvent insurers.
- 30. Comparing to the large amount of common law damages awarded by the court, the Chairman pointed out that there might be an even more serious impact on the ECA Scheme in case of insolvency of insurance companies as the amount of claims that might arise from these companies might be huge. He asked the Administration to study this matter in detail so that a fine balance could be struck between protection to employers and employees and financial stability of the ECA Scheme.
- 31. Mr LEE Cheuk-yan noted that the Administration proposed that an ex-gratia payment would be payable in lieu of common law damages. In a fatal case, if the amount of an ex-gratia payment exceeded \$1.5 million, an initial payment of \$1.5 million would be paid and then followed by monthly payments made to the deceased employee's spouse and children under the age of 21. Mr LEE said that he did not oppose the proposed arrangement provided that the total amount of compensation entitlement would not be reduced. He considered that the Government should bear the shortfall in the ECA Fund. He questioned whether parents, if they were

dependants of a deceased employee, would be paid the ex-gratia payment; and whether the amount of monthly payments made to a spouse and children would be adjusted when the children reached the age of 21.

- 32. Assistant Commissioner for Labour (Rights and Benefits) (AC for L(RB)) said that the Labour Advisory Board (LAB) considered that the award of an ex-gratia payment was of a compassionate nature. Such payment would be paid to the spouse of a deceased employee because under normal circumstances, the spouse would be responsible for maintaining the living for the family. Children under the age of 21 would be paid the ex-gratia payment if the spouse of the deceased employee died. However, the parents' entitlement to an ex-gratia payment was not discussed by LAB. She stressed that it was not an intentional exclusion to reduce the amount of payment. She added that the ECA Fund would pay the full amount of statutory compensation. If a deceased employee had no spouse and children, his parents would be awarded a maximum of 95% of the statutory compensation in accordance with the Employees' Compensation Ordinance (ECO). She welcomed the views of members on the arrangements for making the ex-gratia payment.
- 33. Mr LEE Cheuk-yan suggested that the amount of the initial payment should be increased and a time limit should be set in order to ensure that the spouse and children would be able to receive the full amount of compensation. AC for L(RB) said that LAB had discussed this issue in detail. She pointed out that the decline in levy income and the increase in the compensation amount in recent years had led to a significant imbalance between the income and expenditure of the ECA Scheme. If the amount of initial payment had to be increased and the monthly payments for all ex-gratia payments continued until the full amount of compensation was exhausted, the levy rate might need to be further increased from 1% to 4.4%. In order to strike a balance between the affordability of employers and maintaining the safety net for employees, LAB considered the current proposal feasible. In LAB's view, the ECA Fund should not be exhausted by individual large claims and should aim at helping as many people as possible.
- 34. Mr LEE Cheuk-yan commented that the purpose of the monthly payment arrangement seemed to reduce the amount of compensation to be paid to spouses and children of deceased employees. While agreeing that the ECA Fund should not be exhausted by individual large claims, the Chairman opined that as the Government had a responsibility to oversee the ECA Scheme, the Government should shoulder the shortfall in the ECA Fund instead of relying on increasing the levy rates.
- 35. Mr Kenneth TING asked whether the fines against non-compliance with the compulsory insurance requirements had been increased and whether such fines collected were paid to the ECA Fund. AC for L(RB) responded that the maximum fine for failure to take out employees' compensation insurance was increased from \$25,000 to \$100,000 in August 2000. Such fines were not paid to the ECA Fund as they were regarded as general revenue of the Government. She said that the Labour Department (LD) had all along attached importance to the enforcement of compulsory

insurance requirements under ECO. In March 2001, LD conducted a territory-wide campaign and some 6 000 establishments were covered. LD would step up efforts in enforcement and its inspection strategy would be adjusted in the light of experience. Messages to promote compliance with the compulsory insurance requirements would be broadcast on radio and TV, and advertisements would be placed on public buses and poster boxes at MTR stations. She added that more than 80 000 inspections had been conducted last year in which 1 042 employers had been successfully prosecuted against non-compliance with the compulsory insurance requirements. Under the present proposals, employers who were found non-compliant with the compulsory insurance requirements would be required to pay a surcharge to the Board.

- 36. Mr Kenneth TING considered that as employers were required to pay a levy to finance the ECA Fund, it was not fair that the fines collected were not paid to the ECA Fund.
- 37. Mr LEE Cheuk-yan suggested that the proposed amounts of surcharge at \$1,000, \$4,000 and \$8,000 imposed on uninsured employers should be increased. AC for L(RB) said that after deducting the operating expenses, the surcharge income, at currently proposed levels, was estimated to be \$1.5 million per annum. The Administration welcomed members' suggestions on the appropriate amounts of surcharge.
- 38. Mr SZETO Wah opined that the Administration should step up enforcement action against employers' non-compliance with the statutory insurance requirements. The amount of fines should be increased to a level which would be able to meet the payments under the ECA Scheme. He also asked about the amount of fines collected. AC for L(RB) replied that fines received from employers for non-compliance with the statutory insurance requirements in 1998, 1999 and 2000 were 2.66 million, 2.33 million and 2.64 million respectively.
- 39. Referring to Annex A of the Administration's paper, Mr James TIEN pointed out that in 2000-01 only some \$16 million were compensation payments made to injured employees out of the total expenditure of nearly \$29 million incurred by the Board. The legal costs and operating expenses accounted for some \$6 million and \$2 million respectively. He opined that the ECA Fund should only be used for making compensation payments to employees injured at work and the legal and operating costs of the Board should not be met by the ECA Fund. In addition, all fines collected should be paid to the ECA Fund. He also suggested that the \$60 million to be provided to the Board should be a capital injection by the Government instead of a bridging loan so that the levy rate would not have to be increased in the coming few years. Mr Tommy CHEUNG and Dr LUI Ming-wah shared the view of Mr TIEN.
- 40. <u>DSEM</u> said that ECO provided that the legal liability to pay compensation to employees for employment-related injuries rested with employers and that the financial predicament of the ECA Scheme could be rectified through adjustment of levy rates. He clarified that the legal costs shown in Annex A of the paper were

incurred by claimants rather than by the Board. He added that the Administration might consider granting a further loan to the Board if the situation so warranted.

Clerk

- 41. <u>The Chairman</u> suggested and <u>members</u> agreed that the Panel should write to the Administration conveying the views expressed by members on the financial arrangements in respect of the ECA Fund.
- 42. Mr Bernard CHAN said that the consultancy report released by The Hong Kong Federation of Insurers several months ago revealed that the problem of the employees' compensation insurance business was caused by the increase in the amount of compensation awarded by the court and the decline in premiums. The Administration concluded that the problem was solely attributed to the inefficient operation of insurance companies. However, the Administration considered that the financial volatility of the ECA Fund was brought about by the escalating amount of common law damages and suggested a package of remedial measures. He queried why an ex-gratia payment in lieu of common law damages was not proposed in respect of the employees' compensation system. He also queried why the Administration adopted double standards in dealing with the issues.
- 43. <u>DSEM</u> said that an increase in the levy rate was necessary in order to address the financial volatility of the ECA Fund. The insurance industry could also consider increasing the premium for employees' compensation insurance. As regards the exgratia payment, he explained that the ECA Fund provided a safety net. Its role was different from that of insurers who should be liable to make full compensation payments to the insured.
- 44. Responding to Ms Audrey EU, <u>AC for L(RB)</u> clarified that the legal costs of some \$6 million as stated in Annex A of the paper referred to the legal costs incurred by claimants. Legal cost of the Board was included in its operating expenses.
- 45. Ms Audrey EU pointed out that in accordance with section 16 of ECAO, legal cost had to be incurred because a claimant was required to obtain a judgment from the court before he could apply to the Board for compensation. She asked whether the Board had employed its own counsel to assist in negotiations so as to encourage early settlement of claims to save time and legal costs on both sides. She also sought clarification on the meaning of "legal costs in respect of claims for statutory compensation" as stated in paragraph 20 of the paper.
- 46. <u>AC for L(RB)</u> explained that under ECAO, an employee could apply to the Board for compensation payment provided that his employer was liable but unable to make the payment to him. Section 16 of ECAO provided a number of means to prove that the employer concerned was liable for compensation payment. For example, a Certificate of Compensation Assessment for Fatal Case issued under ECO would prove the employer's liability. Under the same section of ECAO, an employee was required to take such proceedings to recover compensation payment from his employer. Under the circumstance, an employee might have to initiate winding-up

proceedings against his defaulting employer. If the employer concerned was found to have no asset or no insurance cover, the Board would not require the employee to obtain an order from the court. She further said that the Board did not employ its own counsel as legal advisor as negotiation was not needed in every case. Legal advice from private counsel would be sought on a need basis.

- 47. <u>AC for L(RB)</u> further said that on some occasions, the Board was not aware of the claims until the cases had reached a very late stage. This placed the Board in a passive and disadvantageous position. Therefore, the Administration proposed that a time limit should be set for filing claims and that the Board should be empowered to take a more active role in legal proceedings with a view to encouraging early settlement of claims and reducing the legal costs. Following the proposal to provide ex-gratia payment in lieu of common law damages, the Board would only pay the legal costs of employees' compensation under ECO. It would no longer be responsible for the legal costs in respect of common law claims.
- 48. Mr YEUNG Yiu-chung noted that there were 1 042 cases of successful prosecutions out of 83 990 inspections on compulsory insurance conducted last year. This year, 6 280 establishments were inspected in two weeks and 141 prosecutions were initiated. He said that according to this rate, the number of cases of non-compliance found in this year would be much higher than that in last year. He asked whether the Administration would continue its enforcement action as that in March 2001 and whether the number of cases of non-compliance would be expected to continue to be so high for the rest of the year.
- 49. AC for L(RB) responded that the 6 280 inspections were conducted under a special territory-wide campaign launched in March 2001 with a view to conveying to employers a strong and clear message about the compulsory insurance requirements. It would not be possible for LD to conduct such an extensive inspection every two weeks. She said that the non-compliance rate in the past was around 1.2% to 1.3%. The increase in the number of cases in this year was due to the change in LD's inspection strategy. Based on experience, LD focused its inspections in the service sector and the import and export sector where non-compliance was more commonly found.
- 50. <u>Miss CHAN Yuen-han</u> pointed out that after the implementation of the MPF Scheme, many employees in the construction industry had changed to self-employed persons. According to LD, these persons should still be considered as employees provided that the employer-employee relationship still existed. She expressed concern as to whether employers would take out insurance policies for such "employees" and asked how the Administration would handle this problem.
- 51. <u>AC for L(RB)</u> said that LD had held a meeting with representatives of employers' associations in the construction industry, labour unions and the insurance industry to discuss the issue and would continue with those discussions. The Administration was fully aware of the situation and would try to work out solutions to

address the issue with the parties concerned.

VI. Any other business

Admission of Mainland Professionals Scheme

- 52. Before proceeding to the item on "Proposed amendments to the Small Claims Tribunal Ordinance, Labour Tribunal Ordinance and Minor Employment Claims Adjudication Board Ordinance", the Chairman sought information regarding the Admission of Mainland Professionals Scheme (the Professionals Scheme).
- 53. The Chairman said that a motion was passed by the Panel on 19 April 2001, urging that a quota on the number of Mainland professionals to be admitted should be imposed under the Professionals Scheme and that a monitoring mechanism to oversee the implementation of the Scheme should be put in place. He asked why the Administration had still not replied to the Panel regarding the motion. <u>DSEM</u> said that the Security Bureau (SB) was aware of the motion and assumed that it would revert to the Panel once it was ready to do so.
- 54. The Chairman asked whether a press conference was scheduled to take place on the day following the meeting to announce the details of the Professionals Scheme. DSEM said that he was not aware that there would be a press conference. Mr Andrew CHENG said that according to his knowledge, the press conference was organised by SB. He expressed dissatisfaction that the Administration neglected the views of the Panel again in respect of the Professionals Scheme.
- 55. The Chairman said that as the Professionals Scheme involved very important policy issues relating to manpower resources, the Panel should be consulted on the Scheme and should at least be informed of the holding of the press conference. Mr James TIEN was surprised that the Education and Manpower Bureau was not involved in the press conference. He said that the Liberal Party shared the view of the Chairman. DSEM undertook to liaise with SB on this matter.
- 56. <u>The Chairman</u> directed that the meeting be adjourned to express the Panel's dissatisfaction with the Administration's arrangements for the Professionals Scheme.
- 57. The items on "Proposed amendments to the Small Claims Tribunal Ordinance, Labour Tribunal Ordinance and Minor Employment Claims Adjudication Board Ordinance" and "The Proposed Factories and Industrial Undertakings (Gas Welding and Flame Cutting) Regulation" were not discussed at the meeting.
- 58. The meeting ended at 4:40 pm.

Legislative Council Secretariat 28 June 2001